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The Coordinator,
National Aviation Policy Statement
The Department of Infrastructure, Transport,
Regional Development and Local Government
GPO Box 594
CANBERRA ACT 2601

Via Email: aviationstatement@infrastructure.gov.au

Dear Sir/Madam

NATIONAL AVIATION POLICY STATEMENT SUBMISSION

Forte Airport Management, a Western Australian based airport operator company with airport consulting capability, owns and operates Forrest Airport on the Nullarbor and operates on behalf of the Commonwealth Christmas Island airport and Cocos (Keeling) Islands airport. It has a business track record of 15 years and over this period has provided consulting services to all levels of Government and the private sector.

It is the matter of '**Aviation Infrastructure**' that warrants our comment for policy consideration.

Specifically, it is the financial struggle that small airport operators face in maintaining their infrastructure assets that concerns us.

The premise that all airports have cost recovery ability and hence are financial is a myth.

Forte Airport Management is aware of many small airport operators, in a similar situation to ourselves (Forrest Airport) as owners of public airports, that face impossible hurdles to meet the asset upkeep cost of maintaining safe and secure ground facilities.

Airports which support RPT operations are typically well placed to cost recover through passenger levies and weight based charges. These charging principles are well tested and hold support from the aviation industry. Financial burdens do still exist for RPT airport operators where passenger numbers are less than 10,000 per annum when infrastructure improvements are required to facilitate growth and regulatory requirements.

However, it is the General Aviation (GA) airports (ones without RPT services), particularly those with low traffic movements which have limited income returns and hence are unable to meet the capital cost to maintain.

All registered or certified airports of basic order have similar minimum operating costs. With a regulatory focus (public facility) there is the trained reporting officer and grounds maintenance person. Also included are materials, plant, equipment, public liability insurance, property insurance, service supply charges, rates, technical specialists, accounting and legal etc.

Revenues obtained from leasing, landing charges all need to be recovered through a billing process and this necessitates further expense on the limited income source.

Hence, when it comes to upkeep of the primary airport asset it is more often than not financially out of reach. A typical runway reseal will cost anywhere between \$400,000 to \$600,000 subject to remoteness of the airport site from the major supply centres for bitumen and crushed aggregate.

The net consequences are that asset renewal of pavements is not happening.

This will potentially lead to loss of critical aviation infrastructure as the standard falls below acceptable Civil Aviation Safety Authority (CASA) requirements.

This point is made to inform the Government that the small end of town operators of public aerodromes, that have poor cash flows, also need to be heard and in many instances they need financial assistance to ensure asset renewal of critical aviation infrastructure.

The following suggestions and potential solutions to this issue are as follows.

1. Define the category of aerodrome warranting financial support for asset rejuvenation as meeting criteria as below listed.
 - Aerodrome is operated as PUBLIC, registered or certified by CASA, facility. This includes aerodromes privately owned and whose facilities are publicly available to the wider community and its user information is in the public domain of the Enroute Supplement Australia (ERSA)
 - Aerodrome can demonstrate it is low income generating, defined as receiving aeronautical revenue below \$500,000 per annum.
 - Aerodrome can demonstrate it provides a strategic level of support, to the wider community, the aviation community, Defence air transport movements and not just for private purposes.
2. Encourage State run grant programs to embrace and boost funding for aerodrome pavement reseals and runway resheeting for gravel pavements, which to date are perceived as maintenance not capital works. Major expenditure that has a depreciation term of over 10 years is capital outlay.

3. Provide funding support nationally or through state run programs to support the initiatives of asset preservation of critical aviation infrastructure.
4. Define specific asset type, with priority to pavement preservation, warranting support funding. Expansion to next tier priorities to meet regulatory obligations would follow, for example airfield lighting, visual aids and fences.

I trust our point made concerning the high upkeep cost of airport assets and the potential for loss of critical infrastructure in Australia at those less fortunate airports can lead to a form of assistance through strategic consideration of airport needs where assets are appropriately recognised and deemed in need of preservation.

Should you wish to discuss any aspect of this submission at any time please call myself on 0409 298148.

Yours sincerely



Andrew Forte
Managing Director